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NOOSA MINING INVESTOR CONFERENCE 12 NOVEMBER 2021

General Manager Commercial – Todd Wild

Mitchell SERVICES

50 YEARS AND SPINNING
MITCHELL 50

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MITCHELL SERVICES MARKET PROFILE

ASX Information

ASX Stock Symbol	MSV
Shares Issued	224,948,905
Share Price (at 09/11/2021)	A$0.42
Market Capitalisation	A$94.48m

Major Holders

Mitchell Group	18.4%
Dream Challenge Pty Ltd	7.2%
Washington H Soul Pattinson	6.0%

Board of Directors



Nathan Mitchell
Executive Chairman

Scott Tumbridge
Executive Director

Peter Miller
Non-Executive Director

Robert Douglas
Non-Executive Director

Neal O'Connor
Non-Executive Director

Peter Hudson
Non-Executive Director

Executive Management Team



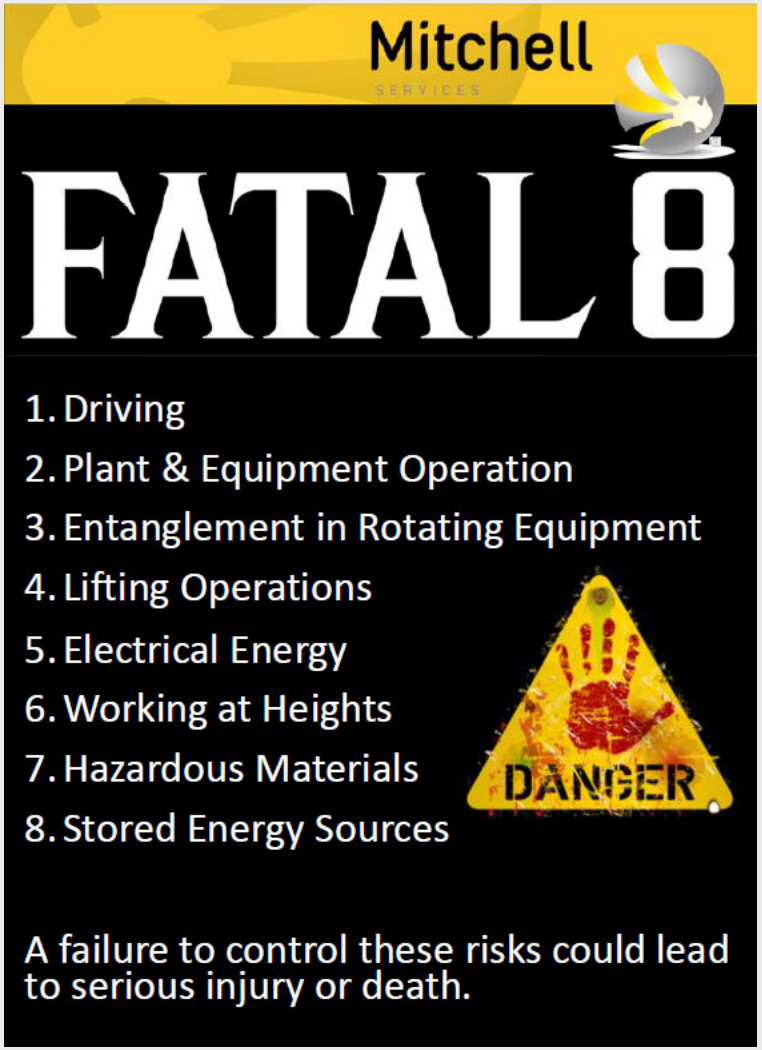
Andrew Elf
Chief Executive Officer

Greg Switala
CFO & Company Secretary

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PEOPLE, RISK AND SUSTAINABILITY

- Implemented critical risk management program. Infield program designed to verify the presence and effectiveness of critical control measures to prevent life changing injuries and fatalities.
- Covid 19 has continued to present logistical changes but credit to our entire team who have continued to deliver safe and efficient services to our clients.
- Developed and released a Modern Slavery Statement.
- Mitchell Services Foundation has now been registered as a Charity.



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BUSINESS OVERVIEW



90%
of revenue from Tier 1 global mining clients in FY22

Industry leading safety performance driven by critical risk control verification program

720+
experienced employees

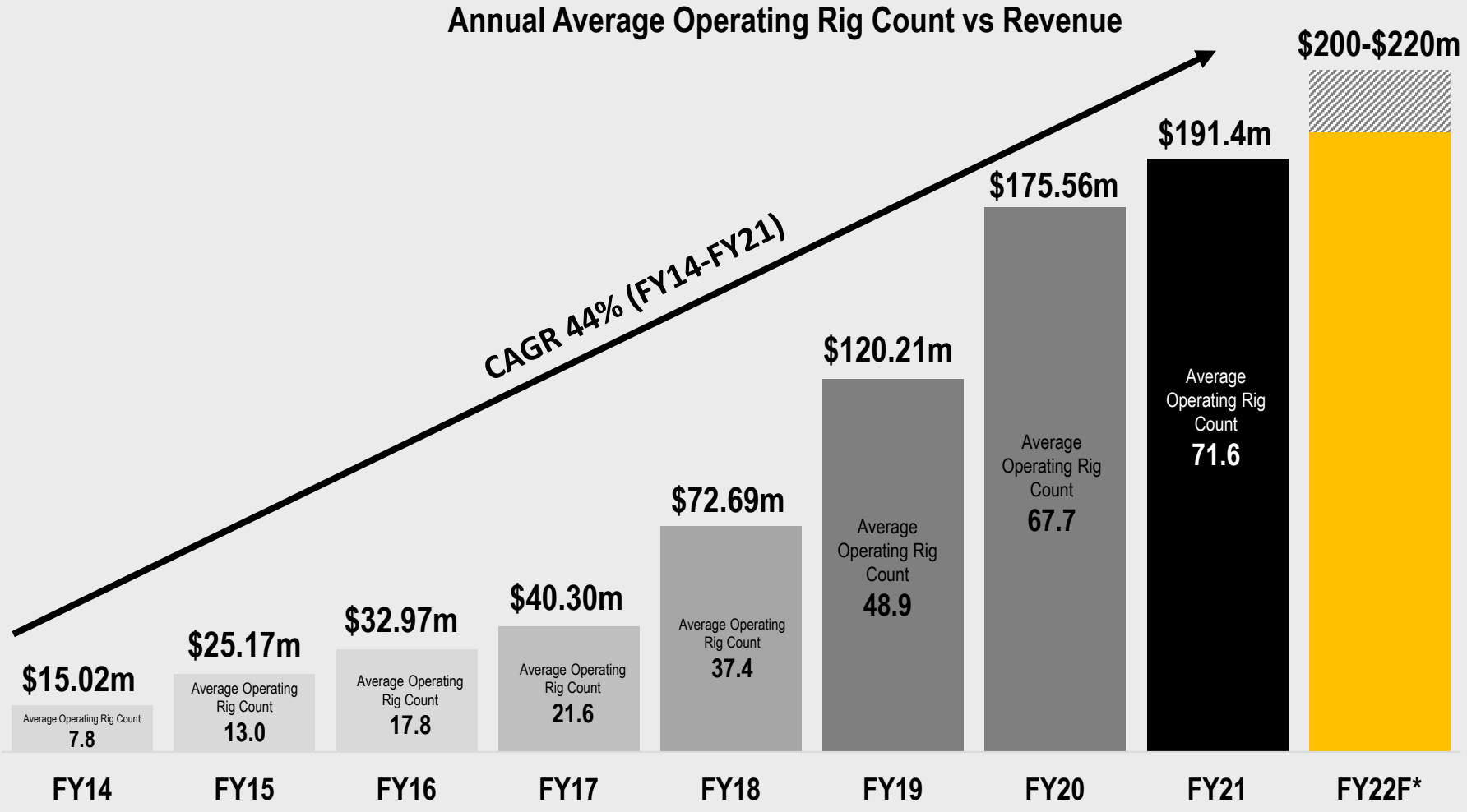
92 rigs in the fleet with 8 more to be delivered

The Mitchell brand has over **fifty years of experience** in the drilling industry

100%
of revenue generated from within Australia

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DEMONSTRATED ABILITY TO DELIVER GROWTH

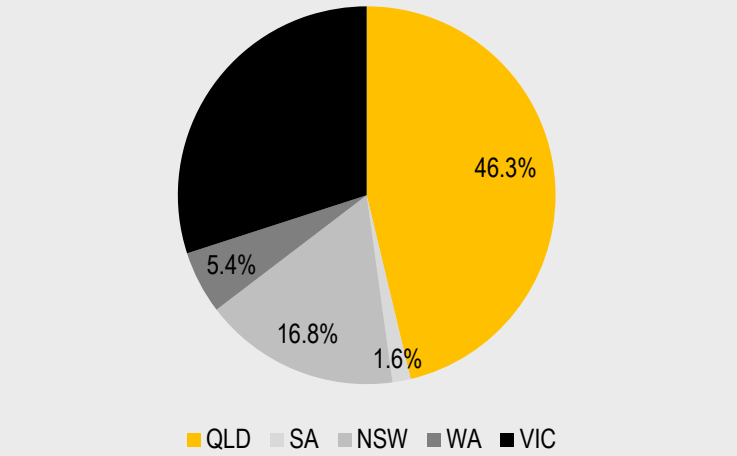


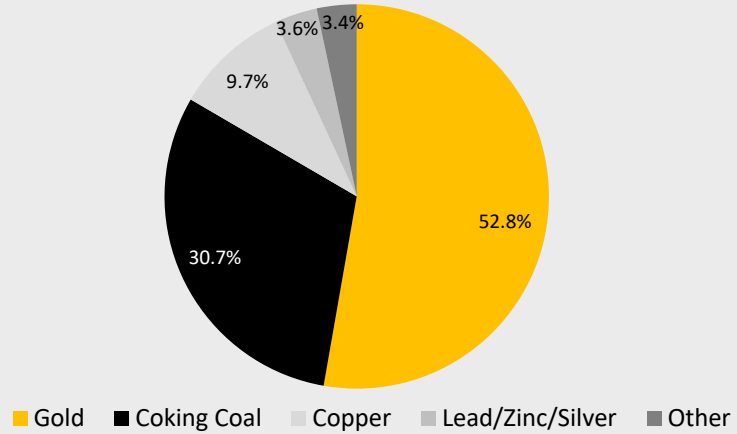
*Assumes anticipated levels of work from existing customers and that all existing customers renew their drilling contracts to the extent that such current contracts expire during this period. Assumes a 20% EBITDA margin and that there is no material changes in market conditions or operating environments, including no material deterioration in COVID-19 restrictions and regulations.

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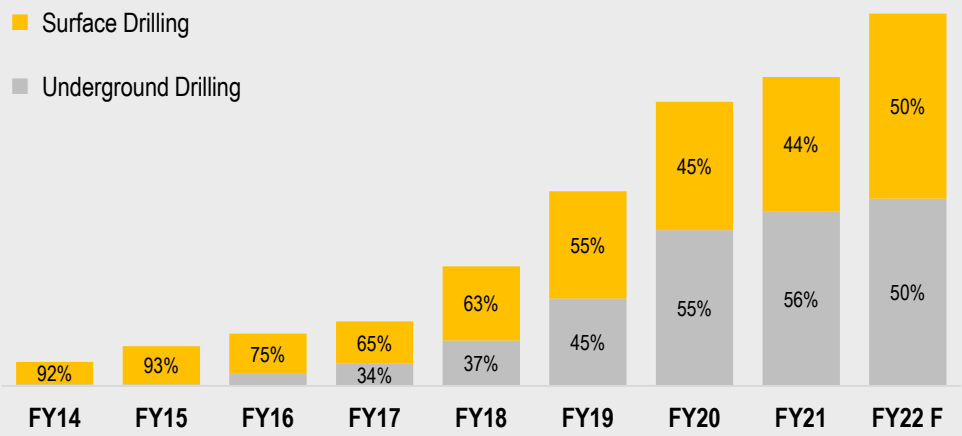
REVENUE QUALITY AND DIVERSITY

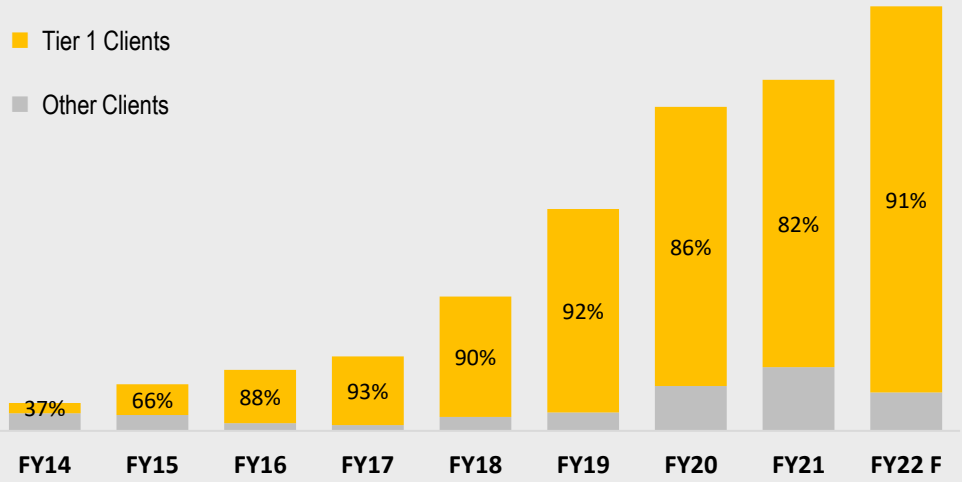
FY21 Revenue by State and Commodity





Revenue by Drilling and Client Type





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ORGANIC GROWTH STRATEGY

- Mitchell Services is embarking on an organic growth strategy including a material capital investment program to deliver anticipated FY22 EBITDA of between $40m and $44m.
- 1 out of 9 LF160 drill rigs that have been committed to have been delivered. These first 9 rigs are booked at solid margins. We retain an option for an additional 3 rigs.
- The proposed timing allows Mitchell Services to take advantage of the cash flow benefit associated with the ATO's instant asset write off program (in place until June 2022 with a proposed extension to June 2023).
- It was previously Mitchell Services' intention to sell nominated rigs to provide partial funding for this capital investment program.
- However, given the strength of the current market and the lead times to procure additional drill rigs, Mitchell Services have opted to retain these rigs as the value to the business will be greater than the net sale proceeds.
- Based on the anticipated size of the fleet post implementation of the growth strategy, the business would have the capacity to potentially generate $50m-$60m EBITDA and to deliver material EPS growth.





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OPPORTUNITY TO LEVERAGE THE CYCLE

- Significant increase in demand in the gold and base metals sectors with a positive long-term industry outlook.
- Global government stimulus and subsequent investment into infrastructure and other projects will drive demand for copper and other base metals.
- In a world where reserves and grades of some commodities are reducing, Australia is seen as a high quality, low risk jurisdiction in which to operate.
- Increase in new projects and exploration programs due to significantly increased level of capital raising and investment by miners during 2020 and 2021.
- With approximately 70% of FY21 revenue derived from the gold and base metal sectors, the Company is well placed to take advantage of any further uplift in these markets.



"We believe that the last supercycle peaked in 2008 (after 12 years of expansion), bottomed in 2020 (after a 12-year contraction) and that we likely entered an upswing phase of a new commodity supercycle"

JP Morgan macro and quantitative strategist Marko Kolanovic

The outlook for drilling services demand is the strongest that we have seen since 2008

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SIGNIFICANT BARRIERS TO ENTRY

- Access to funding for new mining services providers is challenging given limited lender appetite to the mining services sector.
- Complex and highly regulated industry.
- Increasing lead time in relation to the supply of rigs, ancillary equipment and consumables.
- Significant level of industry consolidation.
- Tightening labour market and ability to attract and retain a highly skilled labour force.

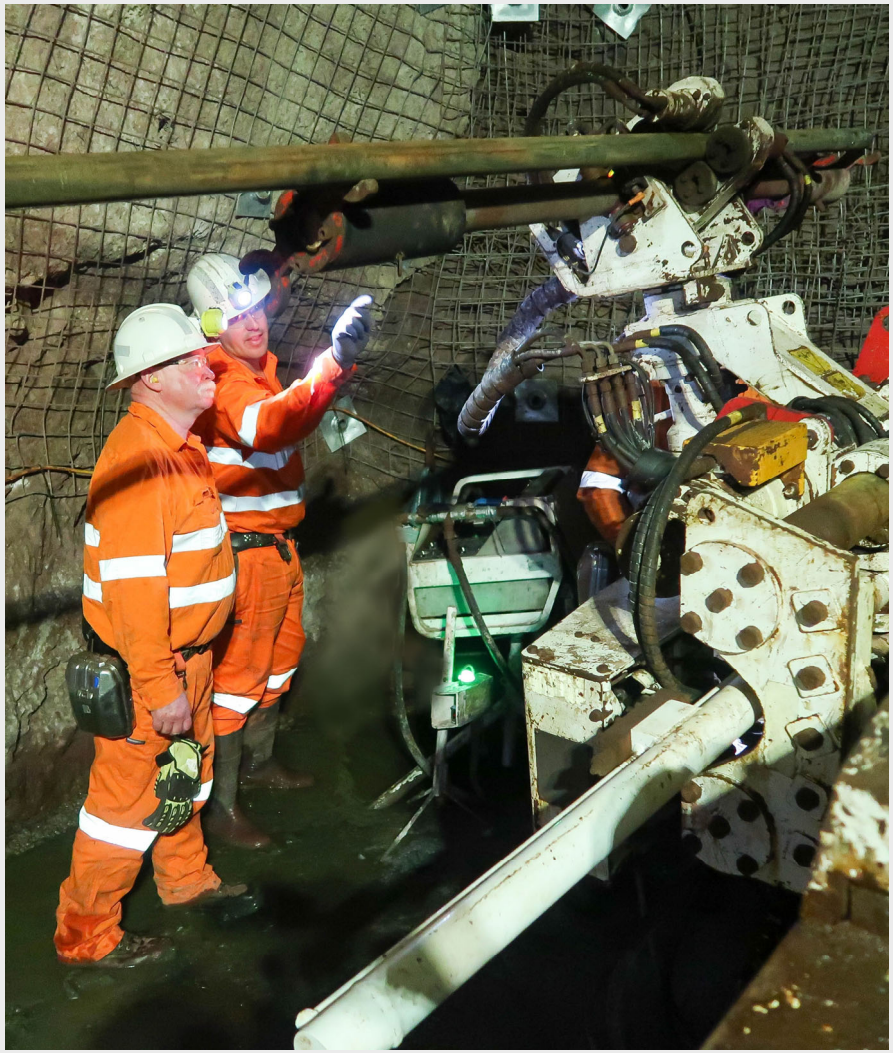


Suppliers are currently experiencing a surge in global demand for drill rod while continuing to manage supply constraints as a result of Covid-19

Mitchell Services has circa 20,000 pieces of drill rod currently ordered which represents 32% of a major supplier's total Asia Pacific drill rod availability over through to December 2021

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FY22 Q1 UPDATE AND OUTLOOK



- Material opportunity to leverage the cycle with supply and demand strongly in our favour.
- FY22 Q1 revenue was $52.7m representing a 14% increase from the FY21 Q4 figure of $46.2m.
- Solid FY22 Q1 EBITDA of $8.1m.
- EBITDA is expected to increase quarter on quarter for the remainder of FY22 as additional rigs are deployed and ramp up costs begin to reduce.
- MSV maintains its FY22 revenue and EBITDA guidance of $200m-$220m and $40m-$44m respectively.
- Strong anticipated EBITDA run rate heading into FY23.

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SUMMARY

- Mitchell Services vision is to be **Australia's leading provider of drilling services** to the global exploration, mining and energy industries.
- Mitchell Services is embarking on an **organic growth strategy** including a material capital investment program to deliver anticipated **FY22 EBITDA of between $40m and $44m**.
- Based on the anticipated size of the fleet post implementation of the growth strategy, the business would have the capacity to potentially generate **$50m-$60m EBITDA** and to deliver material EPS growth.
- Mitchell Services has an **experienced board** and management team who have **proven success** in business development and growth.

